

TITLE: How the Iran-Contra Story Leaked

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~~SECRET~~*A Syrian success story*

HOW THE IRAN-CONTRA STORY LEAKED

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With all the publicity surrounding the Iran-Contra affair, there was little focus on who leaked the initial story to the Lebanese newspaper *Al-Shiraa* on 1-2 November 1986, or why. It was not until June 1987 that reporting was received on the origin of the mysterious press piece. According to [redacted]

[redacted] Damascus leaked the US-Iranian arms-for-hostages deal for its own purposes, thus setting in motion events that would temporarily undermine US prestige in the Middle East, expose the diversion of funds to the Nicaraguan Contras, and create a major controversy in US politics.

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[redacted] the Syrian Government first learned of the arms-for-hostages deal from its chargé in Tehran, Iyad Mahmud, who probably got the information through his contacts in the Iranian Government. For Mahmud, who was in fact a Syrian military intelligence officer, this knowledge quickly became a dangerous thing.

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In early October 1986, a group of Iranian officials kidnaped Mahmud and beat him badly before letting him go. Iranian press reports at the time claimed that Mahmud had been arrested by the Iranian antivice squad for drunkenness in the company of women and then released 24 hours later. This story covered up the real reason for the arrest—to intimidate Mahmud from passing on his knowledge of the deal.

Immediately after Mahmud's release, Damascus withdrew him, and he apparently then told his colleagues what he knew. [redacted] claims that Syria, now angry at both the US and Iran, chose the Syrian-financed *Al-Shiraa* to print the story. Although Syrian intelligence officials tried to take credit for disrupting US relations throughout the region, they evidently never anticipated how far-reaching the political reaction would be in the US.

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Why Syria Did It

Syria was the only Arab state to consistently back Iran in the Persian Gulf War from 1980 to 1988, and, in return, Iran provided Syria with low-priced oil. In this context, Damascus had no reason to stop the US sale of weapons to Tehran. While Damascus may have feared further US-Iranian cooperation on the Lebanese civil war and other issues, such cooperation is difficult to imagine. Yet [redacted] claims that Syria exposed the deal out of its anger at both the US and Iran. One possible explanation is that Mahmud found out about the role Israel played in facilitating the deal and that Damascus feared Israeli-Iranian ties would return to the relationship of the 1970s, when Israel provided a steady flow of weapons to the Shah of Iran. But Syrian knowledge of the Israeli angle was unlikely, considering that the *Al-Shiraa* piece made no mention of it. A less unlikely explanation is that Syria had the story printed to punish Iran for its treatment of Mahmud.

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[redacted] however, may have been misled by his Syrian sources on Syrian motivations for releasing the story. He did not account for the four-week lapse between early

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October, when Syria apparently learned of the story, and 1-2 November, when the story appeared in the press. This lapse suggests that Syrian leaders had more in mind than retaliation against Iran.

The Terrorist Trials

The fall of 1986 was a troubled time for the Syrian Government. On 24 October, eight days before the publication of the *Al-Shiraa* story, a jury in London convicted Nizar Hindawi, a Palestinian terrorist who, under orders from high-level Syrian intelligence officials, had tried to blow up an *El Al* airliner in April 1986 by using his unwitting pregnant Irish girlfriend to smuggle a bomb on board. Hindawi was sentenced to 45 years in prison, the longest sentence in modern British history. What followed that afternoon caught the Syrians, and most of the international community, completely by surprise. Within three hours of the court decision, British Foreign Secretary Sir Geoffrey Howe appeared as expected before the House of Commons to denounce the "monstrous and inhumane" terrorist operation. He then did the unexpected by announcing that the UK had decided to break diplomatic relations with Syria. That same afternoon, both the US and Canada announced that they too were withdrawing their ambassadors from Damascus.

To make matters worst for the Syrians, a second terrorist trial, this one in West Berlin, was about to begin. It was clear that Syrian intelligence would be implicated in the March 1986 bombing of a German-Arab cultural center. Syrian President Assad probably worried that the economic sanctions imposed by the UK and the US following the Hindawi trial would be taken up by the rest of Europe, following the West Berlin trial. This would put an added strain on the shaky Syrian economy.

Assad also was concerned from a public-relations standpoint. Unlike Iran and Libya, the other large-scale sponsors of terrorism, Syria has sought to protect its international image, particularly in the West. Syrian intelligence officials carefully hid their involvement in terrorism, often by using surrogate groups. Circumstantial evidence linked Damascus to dozens of attacks, including the bombing of the US Embassy in Beirut in April 1983 and the Rome and Vienna airport attacks on 27 December 1985, but none produced the "smoking gun." The trials in London and West Berlin were changing all this. For the first time, the West had clear-cut evidence of Syrian involvement in terrorism, and Assad was embarrassed by the highly publicized trials.

Exploiting a Mouthpiece

It was at this moment that Syria, hoping to deflect Western attention, decided to leak the arms-for-hostages story to *Al-Shiraa*. For years, the Syrian Ministry of Information had maintained close ties to the publishers of the weekly tabloid newspaper, providing them with a steady flow of stories, some true and some false, that served Syrian interests. In return, *Al-Shiraa* became increasingly pro-Syrian, reaching the point where it frequently ran editorials supporting the presence of Syrian occupation troops in Lebanon and predicting that only Syria could end the fighting. As a result, the magazine had become known as a one-sided, unreliable source of news.

The *Al-Shiraa* arms-for-hostages article on the weekend of 1-2 November claimed that the US secretly had sent Iran spare parts and ammunition for American-built fighter planes and tanks that the latter had purchased from the US before the Shah's fall in 1979. Furthermore, it described a secret trip made by former US National Security Adviser Robert McFarlane to Tehran in early September 1986. On 4 November, *The New York Times* picked up the

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Al-Shiraa story and put it on the front page. That same day, Iranian Speaker of the Parliament Rafsanjani, in a speech marking the seventh anniversary of US Embassy takeover in Tehran, described in some detail a secret mission made by McFarlane and four other US officials to Tehran. Rafsanjani boasted that Iran had held them hostage for five days, before expelling them.

The fact that Rafsanjani immediately confirmed at least part of the *Al-Shiraa* story rather than ignoring it or even denying it suggests that Iran may have been ready to end the arms-for-hostages arrangement. If so, the situation in Tehran had changed since the kidnaping and beating of Mahmud. By November 1986, Rafsanjani and other more pragmatic Iranian leaders probably were under a lot of pressure from radicals in the regime to terminate contacts with US officials. When the story broke in Lebanon, Rafsanjani moved quickly to make it appear as though Iran had duped "the Great Satan."

A Rich Harvest

For Syria, the *Al-Shiraa* story was a sizable success. By the time the West Berlin terrorist trial ended in mid-November with another guilty verdict and more economic sanctions against Syria, the arms-for-hostages controversy was dominating the headlines, and the issue of Syrian-supported terrorism had moved to the back pages. Syrian leaders almost certainly watched with amazement as the controversy unfolded, revealing the diversion of funds to the Contras and creating a major political scandal in the US. By damaging the credibility of the US counterterrorist effort, Damascus made it unlikely that Western diplomatic and economic sanctions against Syria would last for long. Within a year, the US Ambassador was back in Damascus and the European economic sanctions were nearly rescinded. Only Britain had decided not to resume normal relations with Syria.

Other Results

The impact of the *Al-Shiraa* story also was felt in Iran. On 28 September 1987, Tehran announced the execution of extremist leader Mehdi Hashemi after his conviction on several charges, including murder, kidnaping, and attempting to overthrow the Iranian Government. Hashemi had been identified as one of the more radical Iranian leaders, and there is speculation that he helped leak the secret US-Iranian arrangement to discredit the more moderate Rafsanjani. If so, Hashemi or one of his associates probably was responsible for giving the information to the Syrian diplomat in Tehran. The fact that the arrest of Hashemi, along with 60 of his comrades, took place in November 1986 is hardly a coincidence.

For *Al-Shiraa*, the story caused a tremendous boost in the newspaper's popularity in Lebanon and throughout the Middle East. It also earned *Al-Shiraa* some credibility for its revelation of the dealings between the US and Iran.

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